

HEALTH SERVICES AND DEVELOPMENT AGENCY
MINUTES
AUGUST 22, 2007

AGENCY MEMBERS PRESENT

Koella, Carl, III, Chair
Caldwell, Gene, M.D.
Handorf, Charles, M.D.
Jones, Clark
Lammert, Gregory
Morris, John, designee for the Commissioner of Commerce and Insurance
Troy, Peggy
Weaver, Faye, designee for the Comptroller of the Treasury

AGENCY MEMBERS ABSENT

Atchley, Bryan, Vice Chair
Gaither, Keith, designee for the TennCare Director

AGENCY STAFF PRESENT

Hill, Melanie, Executive Director
Bobbitt, Melissa, Administrative Services Assistant III
Brogden, Reid, General Counsel
Christoffersen, Jim, Deputy General Counsel
Craighead, Alecia, Statistical Analyst III
Farber, Mark, Assistant Executive Director
Finchum, Rhonda, Office Manager
Grimm, Jeff, Health Planner III
Wells, Phil, Health Planner III

GUESTS PRESENT

Baker, E. Graham, Esq.
Baldwin, Donna, Executive Director, Baptist Trinity Home Care & Hospice
Baumann, Troy, COO, CES
Baytos, David, Administrator/CEO, Methodist LeBonheur Germantown Hospital
Bixler, Mark
Blankenship, Brad E., M.D., Friendship Home Health, Inc.
Bloebaum, Jenny, RN, CNOR, Director Surgicenter, Murfreesboro Medical Clinic
Brent, Michael D., Esq., Boulton, Cummings, Connors & Berry
Brown, Dan, M.D., Murfreesboro Medical Clinic
Brown, Dere, NHC
Casal, Gladys
Casal, Michael, M.D., Women's Health Services
Christy, Mary, CFO, Methodist Alliance
Climaco, Christopher, M.D., Kids Kare Pediatrics
Corritore, Danell, Department of Health
Crislip, David, Administrator/CEO, Methodist Healthcare – Fayette Hospital
Culp, Joe, Department of Health
Day, Ed, Consultant
Dilawari, Bushra
Duncan, Bruce, NHC

Egbujor, Theo, CEO, Friendship Home Health, Inc.
Elrod, Dan H., Esq., Miller & Martin
Feizkhah, Frank, CFO, Baptist Trinity Home Care & Hospice
Flowers, Dustin, Maury Regional Hospital
Garrison, Amanda, ICD, Donla Services & Baby Wise
Gooch, Warren, Esq., Kramer Rayson
Green, Christy, Friendship Home Health Agency
Gwyn, Sherry D., RN, CQI Director, Friendship Home Health, Inc.
Hendrickson, Meghan, Infinity Birthing Center
Hag, Ikram W., U.S. Healthcare Services, LLC
Hillis, Elizabeth J., RN, BSN, Director of Nursing, Friendship Home Health, Inc.
Hodges, Felicia, Friendship Home Health Agency
Holston, Tina, Women's Health Services
Houchin, Barbara, St. Thomas Health System
Huggins, Mike, THA
Kelley, John, Plant Operation & Safety Director, CES
Kattck, Taslim, M.D., Prime Medical Group
Langlos, John, CFO, White County Community Hospital
Looney, Kim Harvey, Esq., Waller, Lansdon, Dortch & Davis
Luchessi, Jane, Memorial Hospital
Maples, Arthur, Director Strategic Analysis, Baptist Memorial Health Care Corporation
Martin, Terri, Friendship Home Health Agency
McBride, Janie D., Administrator, Bailey Park, CLC-Humboldt
McDearman, Scott, Esq., Grant, Konvalinka & Harrison, P.C.
Messick, Betty, Friendship Home Health Agency
Mirza, Bridget
Moore, Elliott, Mountain States Health Alliance
Moore, Nell, Director of Human Resources, Murfreesboro Medical Clinic
Nieler, Butch, CEO, White County Community Hospital
Owens, Pam, NHC HomeCare
Parnell, Matthew, Infinity Birthing Center
Patel, Utpal, M.D., Murfreesboro Medical Clinic
Peay, Joey, CEO, Murfreesboro Medical Clinic
Penny, Linda, Comptroller's Office
Plantinga, John, CFO, Friendship Home Health, Inc.
Powell, Emila, Infinity Birthing Center
Rajha, Mahmood, Prime Medical Group
Raymer, Scott, NorthCrest Medical Center
Richey, Amanda Bethel
Rose, Betty, RN, Lactation Consultant
Stephenson, Kate, Esq., Trauger & Tuke
Taylor, Jerry W., Esq., Farris, Mathews, Branan, Bobango, Hellen & Dunlap, PLC
Thompson, Ann R., RN, BSN, MBA, Director of Licensure, Department of Health
Tiwana, Masooma, Owner, U.S. Healthcare Services, LLC
Trauger, Byron R., Esq., Trauger & Tuke
Wagner, Leona, CNM, Women's Health Services
West, Rita, Area Vice President of Operations, Amedisys Home Care
West, William H., Esq., Baker, Donelson, Bearman, Caldwell & Berkowitz
Williams, Deborah L., M.D., Radiologist, Murfreesboro Medical Clinic
Witt, John, M.D., Neurologist, Murfreesboro Medical Clinic

Chairman Koella called the meeting to order at 8:30 a.m. in the Meeting Room 12 of Legislative Plaza, Nashville, Tennessee.

DIRECTOR'S ANNOUNCEMENTS

Melanie Hill, Executive Director, made general announcements.

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON applications:

Fort Sanders Outpatient Cardiac Catheterization Center - (Knoxville, Knox County) - Project No. CN0702-013

The initiation of cardiac catheterization services in a freestanding outpatient facility in 4,575 square feet of leased space in an existing building. The proposed center will include one cardiac catheterization lab and needed support space. Project Cost \$3,792,707.94.

WITHDRAWN

CLC of Humboldt LLC d/b/a Bailey Park Community Living Center - (Humboldt, Gibson County) - Project No. CN0704-032

A replacement nursing home with the addition of ten (10) skilled nursing facility beds. The existing nursing home is licensed for fifty (50) beds, thirty-six (36) of which are Level I beds with fourteen (14) dually-certified Level II beds for a total of sixty (60) licensed beds. The replacement facility will contain the afore-mentioned fifty (50) beds plus ten (10) additional Level II beds. Project Cost \$3,758,939.00.

The request for additional beds was withdrawn by the applicant prior to the Agency meeting, therefore the 125 nursing home bed pool for 2006-2007 was not an issue.

Graham Baker, Esq., representing the applicant, addressed the Agency. John Kelley, Plant Operation & Safety Director, CES, Mark Bixler, Mark Bixler Architect and Janie McBride, Administrator, spoke on behalf of the project. Troy Baumann, COO, CES was present.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is clearly defined as the current facility is well outdated. The facility is in need of updates and sprinkling which are not feasible in the current facility; 2) Economic Feasibility – The project is economically feasible due to the facility's operation lease and commercial loans; and 3) The project does contribute and maintain to the orderly development of adequate and effective health care in that this facility serves a difficult to serve population. Mr. Brogden stated that HSDA is not opining on compliance with licensure laws and that the Agency is not sending a message to the Department of Health as to how to handle the applicant's licensure issue. Ms. Weaver seconded the motion. The motion CARRIED [7-1-0]. **APPROVED**

AYE: Morris, Lammert, Caldwell, Handorf, Weaver, Jones, Koella

NAY: Troy

White County Community Hospital - (Sparta, White County) - Project No. CN0704-027

The discontinuance of obstetrical services. Project Cost \$30,000.00.

William H. West, Esq., representing the applicant, addressed the Agency. Butch Nieler, CEO and John Langlos, CFO, spoke on behalf of the project.

Dr. Caldwell moved for approval of the project based on: 1) Need – The need for obstetrics is not there. Adequate deliveries are made nearby in other hospitals and they can only maintain a need if they have more deliveries in their hospital; 2) Economic Feasibility – The service is not economically feasible as they are losing money; and 3) The project does contribute to the orderly development of adequate and effective health care as they are not prepared to deliver babies. Mr. Jones seconded the motion. The motion CARRIED [6-1-1]. **APPROVED**

AYE: Morris, Troy, Lammert, Caldwell, Weaver, Jones

NAY: Handorf

ABSTAINED: Koella

Maxim Healthcare Services, Inc. - (Johnson City, Washington County) - Project No. CN0704-028

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The establishment of a home care organization and the initiation of home health services limited to private duty services for pediatric, adult and geriatric populations in the counties of Washington, Sullivan and Carter. The parent office will be located at 105 KLM Drive, Suite 6, Johnson City, TN 37615. Project Cost \$29,804.00.

DEFERRED TO THE OCTOBER MEETING

Mr. Lammert recused.

Friendship Home Health, Inc. - (McMinnville, Warren County) - Project No. CN0705-036

The establishment of a home care organization and the initiation of home health services in the following counties: Cannon, Coffee, DeKalb, Franklin, Grundy, Macon, Smith, Trousdale, Van Buren, and Warren. The main office will be located in McMinnville at the above address, and a branch office will be located at Macon Medical Center, Hwy. 52, Lafayette (Macon County), TN. Upon approval and licensure of this new home health agency, Friendship Home Health Agency, LLC, currently licensed for twenty-two (22) Middle Tennessee counties, will surrender its license for the following eight counties: Cannon, Coffee, DeKalb, Grundy, Macon, Smith, Trousdale, and Warren; and will maintain its license in the remaining fourteen (14) counties. The net effect of the application is to seek approval to serve the eight (8) counties to be surrendered by Friendship Home Health Agency, LLC, plus Franklin and Van Buren Counties. Project Cost \$577,000.00.

E. Graham Baker, Jr., Esq., representing the applicant, addressed the Agency. Elizabeth J. Hillis, Director of Nursing and Brad E. Blankenship, M.D. spoke on behalf of the project. Present in support of the project were: John Plantinga, CFO, Theo Egbujor, CEO and Sherry D. Gwyn, RN, CQI Director.

Opposing the project were: Pam Owens, Director, Clinical, NHC HomeCare; Scott McDearman, Esq., representing Careall Home Health; and William West, Esq., representing Amedisys Home HealthCare.

Mr. McDearman provided summation for the opposition.

Mr. Baker summated for the applicant.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is established for the care of TennCare patients; 2) Economic Feasibility – The project is economically feasible with business planning and cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care by providing care for TennCare patients. Ms. Weaver seconded the motion. The motion CARRIED [6-1-0]. **APPROVED**

AYE: Morris, Troy, Handorf, Weaver, Jones, Koella
NAY: Caldwell

Ms. Troy and Dr. Handorf recused

Methodist Healthcare-Fayette Hospital - (Somerville, Fayette County) - Project No. CN0705-038

The initiation of mobile magnetic resonance imaging (MRI) services one day per week on the Methodist Healthcare-Fayette Hospital campus. Project Cost \$469,975.00.

Byron Trauger, Esq., representing the applicant, addressed the Agency. David Crislip, Administrator/CEO spoke on behalf of the project.

Mr. Morris moved for approval of the project based on: 1) Need – The need is established as there is not a MRI in the county; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care as the project provides convenience to the people in the service area. Mr. Jones seconded the motion. The motion CARRIED [6-0-0]. **APPROVED**

AYE: Morris, Lammert, Caldwell, Weaver, Jones, Koella
NAY: None

Ms. Troy and Dr. Handorf recused

Methodist LeBonheur Germantown Hospital - Outpatient Diagnostic Center - (Germantown, Shelby County) - Project No. CN0705-039

The purchase of a second magnetic resonance imaging (MRI) unit to be located at the Methodist LeBonheur Germantown Hospital - Outpatient Diagnostic Center at 1377 South Germantown Road, Germantown (Shelby County), TN 38138. The project includes minor renovations of 1,000 square feet. Project Cost \$2,721,109.00.

Byron Trauger, Esq., representing the applicant, addressed the Agency. David Baytos, Administrator/CEO spoke on behalf of the project.

Mr. Jones moved for approval of the project based on: 1) Need – There is a need; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care. Mr. Lammert seconded the motion. The motion CARRIED [6-0-0]. **APPROVED**

AYE: Morris, Lammert, Caldwell, Weaver, Jones, Koella

NAY: None

Ms. Troy and Dr. Handorf recused

U.S. Healthcare Services, LLC - (Memphis, Shelby County) - Project No. CN0705-040

The establishment of a home care organization and the initiation of home health services in Shelby County. The agency plans to target patients of Middle Eastern cultures due to their unique preferences regarding health care, dietary and other matters. Project Cost \$470,500.00.

E. Graham Baker, Jr., Esq., representing the applicant, addressed the Agency. Ikram W. Hag, Owner spoke on behalf of the project. Speaking in support were: Mahmood Rajha, Prime Medical Group; Taslim Kattck, M.D., Prime Medical Group; Bridget Mirza; Bushra Dilawari; and Masooma Tiwana.

Speaking in opposition were: Dan H. Elrod, Esq., representing Baptist Healthcare/Baptist Trinity Home HealthCare; Byron Trauger, Esq., representing Alliance Health Services d/b/a Methodist Alliance Home Care; William West, Esq., representing Amedisys Home Health Care of Memphis; and Donna Baldwin, Executive Director, Baptist Trinity Home Care & Hospice. Present in opposition were: Mary Christy, CFO, Methodist Alliance; Rita West, Area Vice President of Operations, Amedisys Home Care; Frank Feizkhah, CFO, Baptist Trinity Home Care & Hospice; and Arthur Maples, Director Strategic Analysis, Baptist Memorial Health Care Corporation.

Mr. Baker rebutted.

Mr. Elrod provided summation for the opposition.

Mr. Baker provided summation for the applicant.

Dr. Caldwell moved for denial of the project based on the need was not demonstrated. Mr. Lammert seconded the motion. The motion CARRIED [5-0-1]. **DENIED**

AYE: Morris, Lammert, Caldwell, Jones, Koella

NAY: None

ABSTAINED: Weaver

OTHER BUSINESS [moved from end of Agenda]

- 1) State Health Plan – Jim Shulman, Executive Assistant to the Commissioner, Finance & Administration discussed the status of development of a state health plan at the Department of Finance & Administration.

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Infinity Birthing Center - (Cookeville, Putnam County) - Project No. CN0705-042

The establishment of a birthing center with three (3) labor and delivery rooms. The birthing center will be located adjacent to the clinical office of Women's Health Services, Inc. and will serve all the patients of Women's Health Services, Inc. Services to be provided are labor and delivery of low risk, normal births, and post-partum care. Project Cost \$651,376.00.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Michael Casal, M.D., Women's Health Services; Christopher Climaco, M.D., Kids Kare Pediatrics; Amanda Bethel Richey; and Betty Rose, RN, Lactation Consultant. Present were: Amanda Garrison, ICD, Donla Services & Baby Wise; and Leona Wagner, CNM, Women's Health Services.

Ms. Troy moved for approval of the project based on: 1) Need – The project meets a current need and it gives an alternative for women in the area; 2) Economic Feasibility – The project is economically feasible; and 3) The project does contribute to the orderly development of adequate and effective health care as it will be an asset to the community. Ms. Weaver seconded the motion. The motion CARRIED [8-0-0].

APPROVED

AYE: Morris, Troy, Lammert, Caldwell, Handorf, Weaver, Jones, Koella

NAY: None

Lewis Ambulatory Care Center (MRHS d/b/a) - (Hohenwald, Lewis County) - Project No. CN0705-043

The initiation of mobile magnetic resonance imaging (MRI) services two (2) days per week. Project Cost \$635,900.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Present in support of the project were Dustin Flowers, P.T., D.P.T., Director and Ed Day, Consultant.

Mr. Morris moved for approval of the project based on: 1) Need – The need is established as there are no MRI providers in the primary service area; 2) Economic Feasibility – The project is economically feasible through the use of cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care as it will make it more convenient for the citizens in the area, and they are a good TennCare provider. Mr. Lammert seconded the motion. The motion CARRIED [8-0-0].

APPROVED

AYE: Morris, Troy, Lammert, Caldwell, Handorf, Weaver, Jones, Koella

NAY: None

Murfreesboro Medical Clinic, P.A. - (Murfreesboro, Rutherford County) - Project No. CN0705-044

The initiation of magnetic resonance imaging (MRI) services at a new site located on Garrison Drive (address not yet assigned), Murfreesboro (Rutherford County), TN. The new site will be located in the Gateway Area and within the offices of Murfreesboro Medical Clinic (MMC). MMC has filed two applications (this application to initiate MRI services, and the other to move its existing ASTC as the first part of a phased plan to move the entire clinic operations of MMC to Garrison Drive in the Gateway area). MMC has no plans to provide MRI services at its existing location on North Highland Avenue, and is not requesting approval for an outpatient diagnostic center. This unit will be utilized for patients of MMC physicians only. Project Cost \$2,502,648.00.

E. Graham Baker, Jr., Esq., representing the applicant, addressed the Agency. Speaking on behalf of the project were: Joey Peay, CEO; Dr. Utpal Patel; Dr. Deborah L. Williams, Radiologist; Dr. John Witt, Neurologist; and Nell Moore, Director of Human Resources.

Ms. Troy moved for approval of the project based on: 1) Need – The project is needed; 2) Economic Feasibility – The project is economically feasible; and 3) The project does contribute to the orderly development of adequate and effective health care. **Condition: Limited to the physicians of the practice.** Mr. Lammert seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

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AYE: Morris, Troy, Lammert, Caldwell, Handorf, Weaver, Jones, Koella
NAY: None

Murfreesboro Medical Clinic, P.A. - (Murfreesboro, Rutherford County) - Project No. CN0705-045

The relocation of an existing ambulatory surgery treatment center (ASTC) from 1004 North Highland Avenue, Murfreesboro (Rutherford County), TN to a new site located on Garrison Drive (address not yet assigned), Murfreesboro (Rutherford County), TN. The new site will be located in the Gateway Area and within the new offices of Murfreesboro Medical Clinic (MMC). MMC has filed two applications (this application to move its existing ASTC, and the other to establish MRI services as the first part of a phased plan to move the entire clinic operations of MMC to Garrison Drive in the Gateway area. Currently, the ASTC has two (2) operating rooms plus two (2) non-sterile procedure rooms. If this relocation is approved, the new ASTC will have four (4) operating rooms plus three (3) non-sterile procedure rooms at the new location. Project Cost \$3,930,905.00.

E. Graham Baker, Jr., Esq., representing the applicant, addressed the Agency. Dr. Dan Brown, Jenny Bloebaum and Joey Peay spoke on behalf of the project. Present were: Dr. Utpal Patel; Deborah L. Williams, M.D., Radiologist; Dr. John Witt, Neurologist; and Nell Moore, Director of Human Resources.

Dr. Handorf moved for approval of the project based on: 1) Need – The need is established for an improved facility because of volume of care; 2) Economic Feasibility – The project is economically feasible due to commercial lease and cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care as they are TennCare providers. Mr. Lammert seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Caldwell, Handorf, Weaver, Jones, Koella
NAY: None

GENERAL COUNSEL'S REPORT

NorthCrest Medical Center - (Springfield, Robertson County) - Project No. CN0406-053A

Request for modifications for extension of the expiration date for two (2) years from November 1, 2007 to November 1, 2009 and for a project cost increase of \$91,806 from \$3,438,437 to \$3,530,243. The Certificate of Need was approved September 22, 2004 for the acquisition of a second magnetic resonance imaging (MRI) unit (1.5 Tesla) to be operated on the ground floor of a medical office building under development on the hospital campus.

Kim Harvey Looney, Esq., representing the applicant, addressed the Agency. Scott Raymer, CEO spoke on behalf of the request.

Dr. Handorf moved for denial of the request. The motion CARRIED [8-0-0]. **DENIED**

AYE: Morris, Troy, Lammert, Caldwell, Handorf, Weaver, Jones, Koella
NAY: None

Minutes

The minutes of the July 25, 2007, meeting were accepted by unanimous voice vote.

ADJOURNMENT

There being no further business, the meeting adjourned.

Melanie M. Hill, Executive Director

MMH/mab